

MEETING OF THE CALIFORNIA STATE BOARD OF FOOD AND AGRICULTURE

(ALL MEETINGS OPEN TO THE GENERAL PUBLIC)

Location: CA Dept of Food & Agriculture
1220 N Street, Main Auditorium
Sacramento, CA 95814

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MEETING MINUTES FOR MARCH 29, 2006

Item
No.

(1) CALL TO ORDER

- (a) The meeting was called to order Wednesday, March 29, 2006, at approximately 8:30 a.m. Al Montna, President of the State Board of Food and Agriculture presiding.
- (b) Welcoming remarks provided by Al Montna.
- (c) Pledge of Allegiance.

(2) ROLL CALL

Roll call taken by Helen Lopez, Executive Director. A quorum was present.

Present:

Drue Brown	Charlie Crabb	Luawanna Hallstrom
Charlie Hoppin	Marvin Meyers	Niaz Mohamed
Al Montna	Adan Ortega	Ann Bacchetti Silva

Absent:

Ashley Boren	Reg Gomes	Craig McNamara
William Moncovich	Karen Ross	

(3) APPROVAL OF MINUTES – February 22, 2006

Al stated that one area in the minutes that is out of context is the fee structure on page 6. He indicated they were discussing the fee structure and the Administration's view on the fee structure. "It's difficult for the administration to justify to other fee payers if Agriculture did not pay its fair share." The context of the discussion is why would Agriculture pay at all? When you look at fairness, everybody has to pay for something." No other corrections were made to the minutes.

MOTION: Board Member Marvin Meyers moved to approve the minutes of the February meeting. The motion was seconded by Board Member Adan Ortega and a unanimous vote carried the motion.

(4) OPENING REMARKS AND INTRODUCTION

Secretary Kawamura: Today is Ag Day and the State Board will be attending. It took a tremendous amount of work to put the Ag Day event together and he encouraged members of the public to attend. The Department continues to move forward with the budget hearings. The 2006/07 budget continues to be a challenge to show how important the Department's role is.

Board President Al Montna provided information on the April Board Meeting, and he invited additional industry members to attend if interested. This will be a two-day event with a meeting to discuss Immigration and site tours of inspection facilities.

(5) DEPARTMENTAL UPDATES

Secretary Kawamura is attending a conference in Los Angeles on March 30, 2006, and the topic of discussion will be the Avian Influenza virus. Dr. Brietmeyer will provide an update and presentation to educate the public about Avian Influenza (AI).

(6) AVIAN INFLUENZA UPDATE

Dr. Richard Brietmeyer, State Veterinarian, CA Dept of Food and Agriculture, presented the Board with an update and handout with maps on Avian Influenza. There is still uncertainty whether it will become a pandemic. It is important to recognize that we do have a pandemic in regards to animals worldwide. Avian Influenza is definitely moving this way and we could see this virus later this summer or fall. Julie Gerberdine in Atlanta stated, "If you're a chicken, this is a pandemic." We have multiple species being affected by this virus. The characteristic of this virus is that it mutates very readily. California and the United States are at risk. The virus will come down from the pacific flyway. There is a need to recognize the thousands of visitors we get and what can come in through tourists. The Department, working closely with commercial industry, has put a Rapid Response System in place. An Avian Health Pilot Surveillance project is underway in Southern CA. This will provide the basis to finalize a surveillance plan that will be proposed as regulation in the near future. The Department is also working closely with other agencies that are planning for response. We have had a series of workshops and exercises to prepare. These workshops began developing personal protection programs for first responders. Also, the Department is doing a lot of public relations efforts for media coverage and it's important that the media has the right information. The significance of the media and public influence is very important. The two key messages that we are trying to get out are: Public health and food safety concerns. The commercial food supply is very well protected. We would know very quickly if this virus gets into our commercial flocks. We need to educate the public so that backyard owners are aware. Free diagnostic services will be provided as part of the rapid response system. This virus is now in 40 plus countries. The best way to protect the public is to locate this virus and eradicate it quickly.

Board President Al Montna asked if there is appropriate funding available to adequately take on this fight.

Dr. Breitmeyer responded that we are as prepared as any other state but our risk is greater. The economic impact in the U.S. Poultry Industry has been high. The Department is

looking for funding through a Budget Change Proposal (BCP) for the 2006/07 Budget to respond to this threat.

Board Member Adan Ortega commented that he has read that a lot of the anticipated impact is not in the effects on people but in the spread.

Board Member Marvin Meyers: If/when there is a case that appears in the State, would the initial response be from CDFA?

Dr. Breitmeyer: The response would be with the Federal and State Unified Command. It would be 1-2 weeks before federal resources can come in. It's critical to have a base infrastructure within the State. State's need their own preparedness plans and can't wait for the feds to come and save them.

Board Member Charlie Hoppin: From an industry standpoint, how long before the industry would be able to rebuild their flocks?

Dr. Breitmeyer stated that it depends on how great the impact will be. We don't have all the resources to make those plans for them, but we are telling them to start preparing for such things as how to dispose of the flocks. State, local, and federal government is working together to respond and will seek federal funds in case of an emergency. Secretary Levitz said it well, "States need their own defense preparedness plan."

(7) RESOLUTIONS

Secretary Kawamura and Board President Al Montna presented former Secretary William Lyons with a resolution signed by the Honorable Barbara Matthews and Jeff Denham for his outstanding contribution to Agriculture and commended him for his service.

MOTION: Board Member Charlie Crabb moved to recognize the 125th Anniversary of the California Agricultural Commissioners by a board proclamation; the motion was seconded by Board Member Marvin Meyers and a unanimous vote carried the motion.

Secretary Kawamura recognized Jerry Preto, President of the Agricultural Commissioners and Ed Williams who works tirelessly as a liaison for CDFA.

Jerry Preto thanked the Department for bringing the proclamation to the Board. He stated the Ag Commissioners were created to help protect from invasive pests. Through the years, Ag Commissioners have not only been protectors of the industry; but also protect consumers and businesses that provide goods. They work to protect the market place and are involved in environmental protection. They view this work as a partnership with all in the agricultural and environmental communities.

Board President Al Montna noted that the Board has received the final versions for two resolutions:

- (1) Air Quality Resolution, written by a board committee under Reg Gomes's leadership. This committee worked closely with Cynthia Cory at the Farm Bureau to address these recommendations to the Department.

- (2) Water Infrastructure Plan, written by a board committee and led by Adan Ortega in support of the presentation and open discussion at the February Board Meeting at the San Luis Delta Mendota Authority.

There are a few concerns at this time and it was decided to table these resolutions until the next meeting of the Board.

Secretary Kawamura commented, as the Board moves forward with these resolutions the consideration is that there are many issues that can shut down agriculture beside the obvious food quarantines and levee breaks. One of the things we fail to see in this State is the difficult regulatory process; the burdens that come onto business owners; the costs of expenses; and little reward for doing the best job in the nation and perhaps the world. These are the things we need to improve on. It is the mission of this Administration and this board to keep industries in the State. It is important to focus on how to make business profitable, viable, and sustainable. As much as we talk about emerging threats, let us not forget that our department is committed to working in all these arenas. Secretary Kawamura also thanked the Board for being so active in this mission.

Board Member Adan Ortega made a motion to include in all future board resolutions the following: “Where as water, air, land, food and fiber are strategic resources.”

Secretary Kawamura suggested including “bio fuels” to the language as well, which is becoming a valuable resource in agriculture.

Board Member Adan Ortega would like to include, “Foster economic health and economic viability.”

Board President Al Montna received requests from industry, the University of California and the University system to recommend action be taken for air quality issues and support of air quality projects being conducted. And, to resolve that there is AQAR developed as research guidelines that will outline appropriate communication to replace phantom science with hard science and peer review so people aren’t shut down.

MOTION: Board Member Charlie Crabb moved to include all the above comments into the resolution. The motion was seconded by Board Member Niaz Mohamed and a unanimous vote carried the motion.

Board President Al Montna recommended that the two resolutions, Air Quality and Water Infrastructure Plan be given to the Secretary for review. Board Member Charlie Crabb recommended that the Board have an additional month to review them. Board Member Marvin Meyers urged that this not take too long since it is an on-going process to get these issue on the November ballot.

Board President Al Montna has heard testimony from Agriculture about fees, regulatory process and what is happening in water districts where homes are popping up all over. The strongest point is the volumetric fee issues. The bond discussion is taking place today at the Capitol. What is the Board’s view on this? I would ask the Board that we allow the Secretary the liberty to review and discuss the Water Infrastructure Plan resolution at the next meeting.

MOTION: Board Member Marvin Meyers moved to table the approval of the Resolution Supporting Water Infrastructure Bonds as Part of the Governor’s Strategic Growth Plan for the May Board Meeting. The motion was seconded by Board Member Charlie Hoppin.

(8) USES OF COMMODITY SPECIFIC ASSESSMENT

Board President Al Montna introduced John Dyer, Chief Counsel, CA Department of Food & Agriculture who provided a presentation on Commodity-Specific Boards Expenditures and Assessments, Report to the Legislature as submitted on March 1, 2006.

Background:

In a report referenced in the March 14, 2005, Agenda of the Senate Budget and Fiscal Sub-Committee #2, the Legislative Analyst Office (LAO) recommended the legislature examine the separate and decentralized collection and expenditure of assessments by commodity boards. The LAO suggested that such an examination would be useful to help determine whether or not a centralized management of these funds by the Department would be more efficient and maximize policy benefits (for instance, by using them to fund the Mediterranean Fruit Fly (Med Fly) Preventative Release Program).

The LAO recommended control language subsequently adopted in the 2005 Budget Act, Item 8570-002-0001. The language follows:

“The California Department of Food & Agriculture shall report to the Chairs of the budget subcommittees in both houses and the Chair of the Joint Legislative Budget committee by March 1, 2006 on its commodity- specific boards. The report shall include a survey of all activities and funding of the boards under the Department’s jurisdiction. The report shall highlight any similar activities conducted by multiple boards. The report shall also identify any fees or assessments collected to pay for board activities, as well as the method of assessment.”

This report consists of four documents:

1. The narrative report, which includes a survey of commodity board activities highlighting similarities and additional relevant considerations.
2. An attached graphic representation of the aggregate budgeted expenditures for all commodity boards, Fiscal Year 2005/06
3. An attached spreadsheet of budgeted expenditures and assessments by commodity board and in aggregate, Fiscal Year 2005/06
4. Assessment rates by commodity board, Fiscal Year 2005/06

This discussion was followed by comments from George Soares of Kahn, Soares & Conway, LLP.

George Soares thanked the members for inviting him to speak before the Board. He also expressed that commodities, boards, and industry appreciate the work of former Secretary William Lyons and his contribution to Agriculture. He acknowledged the members of the Board for the issues they are addressing that provide great value to industry. The issue we’re talking about today is symptomatic of a large problem and he encourages the Board to have “straight talk” on what the impacts are to agriculture. The government is in crises with challenges that demand greater solutions that are not as costly. The proposal that is being considered today is really politics talking or saying, “We want your dollars because the LAO

doesn't have enough." The work of this state board is important to create focus on "straight talk" about what this money was really raised for. The notion of the beneficiary pays is a distortion of what we're dealing with in state government; the beneficiary of these types of programs is the people of California.

Board Member Adan Ortega: Do you know of any equivalent type of assessment assessed to other industries?

George Soares, the tourism industry has an assessment similar to the Boards and Commissions. "Straight talk" is required by more of agriculture so that legislature will listen.

More and more the shift of obligation is to agriculture. The gross market is intriguing because the LAO thinks that the Ag industry has money. They do not realize that some commodities do not have many funds. Most legislators do not live on or around farms and they are faced with other issues such as high school dropouts and the changing environment due to urbanization. It takes a lot of work everyday to keep people on track. This goes back several decades where government has attempted to take industry funding and use is for reasons other than what it was intended. It's important to understand legislative districts and the challenges they face.

Board President Al Montna expressed, this is a point well taken and the April Board Meeting will visit Southern California districts. Board Members: Luawanna Hallstrom, Adan Ortega, and Drue Brown are the committee for this program.

Board President Al Montna directed the Board to draft a strong resolution of this issue.

John Dyer made the comment that the best message is a single statement or fact; it's putting a face to it. People of the State of CA hate agriculture but love farmers. There's a disconnect. It's easy to take money away from a rich industry. It's hard to take money from a small farm.

Undersecretary A.J. Yates said the Board can certainly be a vehicle to assist with the solution, but can't fix the entire problem. Relationships are key to solving these problems and there are various Ag organizations that can carry the message, "We have to get to know legislators and staff in their districts."

Al Montna directed Ann Silva, Niaz Mohamed, Drue Brown, and Helen Lopez, Executive Director, to work with John Dyer and George Soares to develop comments on a resolution on boards and commissions.

(9) OTHER BUSINESS

Board Member Adan Ortega provided an update on the Exotic Pest Committee meeting of March 28, 2006. The committee is developing a 3-part plan to eradicate invasive pests and diseases, begin collaboration with other organizations and environmental groups, and work within the guidelines of the strategic plan developed by USDA. We're going to convene again in early May and hopefully have a plan that we can present to the Board in 60 days.

Board Member Marvin Meyers has received numerous compliments regarding the February meeting.

Board President Al Montna directed Board Members, Marvin Meyers, Adan Ortega and Charlie Hoppin to work with Helen Lopez, Executive Director to finalize the Resolution Supporting Water Infrastructure Bonds.

The Board Members concurred with George Soare's recommendation to invite Legislatures and their staff to attend the April Board Meeting to hear their concerns within their districts and address how agriculture can help them address their issues.

(10) COMMENTS FROM THE PUBLIC

Corny Gallagher, Bank of America, expressed his appreciation of Board President Al Montna and Secretary Kawamura on the Farm Bill Forum led by the Farmland Trust.

Board Member Marvin Meyers, inquired on the status of the Governor's letter that was provided to John Davis. He was approved to request the letter from John Davis once again.

(11) CLOSING COMMENTS AND ADJOURNMENT

MOTION: With no other business before the Board, Board Member Charlie Crabb moved that the meeting be adjourned. The motion was seconded by Board Member Ann Silva and a unanimous vote carried the motion.

(12) CALIFORNIA AGRICULTURE DAY

The Board was dismissed to participate in the Ag Day festivities and the public was encouraged to participate in the event.